

## Message Text

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53

ACTION AF-18

INFO OCT-01 ISO-00 PA-04 PRS-01 USIA-15 AID-20 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01

PC-04 NSC-10 SS-20 STR-08 CEA-02 L-03 H-03 DRC-01

/166 W

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R 041457Z JAN 74

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC 9668

C O N F I D E N T I A L LUSAKA 25

PASS EXIM AND OPIC

E.O. 11652: GDS

TAGS: ETRN, ZA

SUBJ: NEW FOREIGN MINISTER CALLS FOR CLOSER GRZ-US ECONOMIC  
RELATIONS

1. MAJOR FOCUS OF FIRST COURTESY CALL ON NEW FOREIGN MINISTER  
VERNON J. MWAANGA WAS GRZ FOREIGN ECONOMIC POLICY WITH MINISTER  
ACKNOWLEDGING ZAMBIANS "PROBABLY AT FAULT" FOR NOT HAVING  
UNDERTAKEN MORE ACTIVE AND AGGRESSIVE LEAD IN ATTRACTING PRIVATE  
FOREIGN INVESTMENT, PARTICULARLY FROM US.

2. MWAANGA STATED AT BEHEST OF FORMER AMBASSADOR TO US AND NEW  
PRIME MINISTER MAINZA CHONA, HE INTENDS COLLABORATE CLOSELY  
WITH NEW MINISTER OF PLANNING AND FINANCE, AND CLOSE FRIEND  
ALEXANDER CHIKWANDA, IN TRYING TO CREATE MORE FAVORABLE INVEST-  
MENT CLIMATE BY SPELLING OUT CONDITIONS TO ATTRACT POTENTIAL  
US INVESTORS. SAID CHIKWANDA INTERESTED IN SEEING ME TO DISCUSS  
WAYS OF ATTRACTING US CAPITAL. MWAANGA FELT ZAMBIA HAD CARELESSLY  
LAGGED BEHIND ZAIRE AND KENYA AND PROBABLY EVEN TANZANIA IN  
ATTRACTING FOREIGN INVESTORS TO HELP IN COUNTRY'S ECONOMIC  
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DEVELOPMENT.

3. IN REPLY TO MY QUESTION AS TO WHETHER NEW LOOK IN GRZ FOREIGN ECONOMIC POLICY WAS A RECENT DECISION OF CENTRAL COMMITTEE, MWAANGA SAID CONSCIOUS DECISION ALONG THIS LINE MADE BY CENTRAL COMMITTEE AROUND THE MIDDLE OF LAST YEAR WITH THEN MINISTER OF HEALTH CHIKWANDA AND PRIME MINISTER CHONA ADVOCATING GREATER EMPHASIS ON FOREIGN INVESTMENT. INTERIM EFFORT MADE TO DRAFT AN INVESTMENT CODE (LUSAKA A-146). ELECTION CAMPAIGN HAD DELAYED ACTIVE PURSUIT OF POLICY.

4. AS MWAANGA HAD SET TONE FOR FRANK AND OPEN DIALOGUE, I WAS EMBOLDENED TO SAY EMBASSY HAD ENCOUNTERED ANY NUMBER BUREUCRATIC OBSTACLES AND ADMINISTRATIVE DELAYS IN TRYING TO PURSUE LEGITIMATE US ECONOMIC/COMMERCIAL INTERESTS AND HELP PROMOTE ZAMBIAN ECONOMIC DEVELOPMENT THROUGH AID, TRADE AND INVESTMENT.

5. CALLED ATTENTION TO FACT THAT ONLY IN DECEMBER HAD GRZ COMPLIED WITH CONDITIONS PRECEDENT FOR AID PROGRAM LOAN NEGOTIATED WITH ALL POSSIBLE DISPATCH NEARLY SIX MONTHS AGO AT END OF FY 1973.

6. MINISTER LISTENED SYMPATHETICALLY AS I CONCLUDED WITH SUGGESTION MOFA CONSIDER ESTABLISHING AN ECONOMIC COORDINATION OFFICE AT SENIOR LEVEL TO SERVE AS CLEARING HOUSE THROUGH WHICH FOREIGN MISSIONS COULD TRANSACT NORMAL BUSINESS WITH MINIMUM OF DELAY. MWAANGA MOST APPRECIATIVE OF SUGGESTION; SAID HE SHARED OUR FRUSTRATION AS IN HIS FIRST DAYS OF OFFICE HE WAS UNABLE TO ASCERTAIN WHO WAS RESPONSIBLE FOR WHAT. HE HOPED TO CHANGE ALL OF THIS SOON.

7. I SAID TWO IMMEDIATE OPPORTUNITIES WERE PRESENTED FOR JOINT REVIEW OF US-ZAMBIAN ECONOMIC RELATIONS WITH VISIT TO US JAN 19-26 OF C.N. LIHUSHA OF DEVELOPMENT BANK OF ZAMBIA AND VISIT TO ZAMBIA JAN 30 - FEB 3 OF EXPORT-IMPORT BANK'S DIRECTOR KOBELINSKI AND DEP SENIOR VICE PRESIDENT BIERMAN.

8. DISCUSSION ECONOMIC RELATIONS CONCLUDED WITH MWAANGA'S AGREEMENT TO MY SUGGESTION TO SUBMIT AIDE MEMOIRE REVIEWING US AID, TRADE AND INVESTMENT INTERESTS IN ZAMBIA TOGETHER WITH FULL BILL OF PARTICULARS ON BUREAUCRATIC PROBLEMS STANDING IN WAY OF ECONOMIC OPPORTUNITIES WHICH COULD BE MUTUALLY BENEFICIAL.  
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WILL CABLE DEPT HIGH POINTS OF OUR PROPOSED PRESENTATION PRIOR TO SUBMISSION TO MOFA.  
WILKOWSKI

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NNN

## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC DEVELOPMENT, ECONOMIC COOPERATION, PRIVATE INVESTMENTS, FOREIGN INVESTMENTS, FOREIGN ASSISTANCE, DEVELOPMENT LOANS  
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